

SUBCOMMITTEE NO. 4

Agenda

Joseph Dunn, Chair
Denise Moreno Ducheny
Ross Johnson



PART I

SUMMARY OF ACTIONS

Wednesday, May 19, 2004

1:30

Room 3191

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#	ORG/ DEPT	ISSUE	DESCRIPTION	DOLLARS (in thousands)	STAFF REC.	BBL/ TBL	VOTE
1	0250 Judiciary	April Finance Letter: Acquisition and Preliminary Plans for 2 New Court Facilities.	<p>1. Placer-Nevada Shared Use Facility: Truckee. The Judicial Council requests \$544,000 from the Courthouse Construction Fund to consolidate court operations in the Placer and Nevada counties. This request would fund the site acquisition and preliminary plans for a 25,500 square foot facility in Truckee that would combine functions of the Superior Courts in these counties.</p> <p>2. Portola-Loyalton New Branch Court: Counties of Plumas and Sierra. The Judicial Council requests \$75,000 from the Courthouse Construction Fund to consolidate court operations in the Plumas and Sierra counties. This request would fund the site acquisition and preliminary plans for a 5,400 square foot facility that would combine functions of the Superior Courts in these counties.</p> <p>These projects may reduce future capital and operational costs through innovative use of shared facility and technology. The Finance Letter also proposes provisional language to identify these as demonstration projects and require the Judicial Council to report its findings on future cost savings to the Legislature and Department of Finance:</p>	\$619 in Courthouse Constructio n Funds	Adopt Finance Letter	BBL	Adopted Finance Letter (2-0) Senator Johnson not present.
2	0250 Judiciary	April Finance Letter: Reappropriation for the Fourth Appellate District Court of Appeal	This Finance Letter proposes to reappropriate funds for working drawings and construction for the Fourth District Court of Appeals courthouse in Orange County. The reappropriation is necessary due to the transfer of project management from DGS to the AOC when the project was reappropriated in the 2003 budget and the Judicial Council's need to create and adopt interim contracting rules and procedures.		Adopt Finance Letter	BBL	Adopted Finance Letter (2-0) Senator Johnson not present.

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3	0250 Judiciary	May Revise: Revised Budget Proposal and Unallocated Reduction	<p>The Governor's Budget included an ongoing \$9.8 million reduction. The May Revise proposal provides additional funding for increases in judges salaries and benefits, employee salaries, and increases in the costs of contract security services provided by the CHP. It will also decrease the unallocated reduction to \$8.5 million, \$3 million of which is on-going.</p> <p>The January budget originally proposed total appropriations of \$373.8 million for support of these judicial functions in 2003-04. This had been a decrease of \$8.3 million, or 2.2 percent below estimated current-year expenditures.</p>	\$4,329 from the General Fund	Adopt Finance Letter		<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present.</p>
4	0250 Judiciary	May Revise: Trial Court Facilities Act of 2002.	<p>Per the Trial Court Facilities Act of 2002 (Ch. 1082, St. 2002), the Judicial Council proposes \$23.3 million from the Court Facilities Construction Fund and \$1,000 from the Court Facilities Trust Fund, and 102 positions. This proposal would provide program support staffing to begin the transition of facilities from county to the state.</p> <p>The proposal is consistent with the estimate of positions and resources from the fiscal estimate provided during consideration of the Act. This is the second year of the 5-year planned organizational development process.</p> <p>The process for transferring the properties from the county to the state will formally begin in the budget year. The AOC anticipates that in the budget year between 100 and 140 facilities will be transferred to the state.</p> <p>The proposal includes language requiring the Council to provide a workplan prior to filling positions. The proposal also creates the Court Facilities Trust Fund and appropriates \$1,000 with language that allows DOF to increase funds to the item once money is in the fund.</p>	\$23,291 from the State Court Facilities Constructio n Fund and \$1 from the Court Facilities Trust Fund	Adopt Finance Letter	BBL	<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present.</p>

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5	0450 – Trial Court Funding	May Revise: Revised Budget Proposal and Unallocated Reduction	<p>The May Revision provides an increase of \$99 million to the state's trial courts. The proposal includes increases for existing costs that courts are experiencing but does not provide funds for new, additional, or improved services.</p> <p>Court Staff Retirement: \$23.1 million. Court Security: \$28.8 million. Judges Retirement System (JRS) Funding: \$27. 6 million. Non-Salary Driven Benefit Increases: \$11.5 million. Salary and Benefit Contract Costs: \$9.6 million. Judges Salary and Benefits: \$8.1 million. County Charges: \$1.5 million.</p> <p>Unallocated Reduction: -\$11 million. Increases the \$59 million unallocated reduction included in the January budget proposal to \$70 million.</p> <p>For 2003-04, this budget item took a one-time \$85 million unallocated reduction. However, the actual reduction to the trial courts' operating budgets amounted to \$59.8 million as a result of other reductions, including \$10 million from judicial salary savings, \$10 million from the Trial Court Improvement Fund, \$4.3 million from the Judicial Administration Efficiency and Modernization Fund, and \$900,000 from the Assigned Judges program.</p> <p>In the January proposal the entire unallocated reduction was proposed as an ongoing reduction. This proposal makes \$20 million ongoing and \$50 million one-time. Previous unallocated reductions to the trial courts have been one-time. The courts have stressed that maintaining one-time reductions rather than ongoing reductions is important because it will mean that the impact of these reductions, such as reduced hours and services, will not become institutionalized.</p>	99,100	Adopt Finance Letter request		<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present.</p>

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6	0450 Trial Court Funding	May Revise: Electronic Reporting	<p>The proposal reduces the budgets of the trial courts by \$6.4 million and proposes to increase the use of electronic reporting. The estimates assume increased use of electronic reporting through attrition of court reporters.</p> <p>The proposal includes trailer bill language (TBL) requiring the Judicial Council to provide by rule of court the means for taking down, storing, transcribing, and certifying the verbatim record. The language allows for electronic recording in all cases except death penalty cases. (For TBL see Attachment A)</p> <p>Staff Comments: The estimates do not include costs of transcribing the electronic record, or the staff costs of running the equipment.</p> <p>The Subcommittee may wish to adopt the following intent language: It is the intent of the Legislature to address the use of electronic recording equipment in the trial courts.</p>	\$6,381 General Fund savings	Reject Finance Letter request & Adopt intent language	TBL	<p>Rejected Finance Letter and adopted intent language.</p> <p>(2-0) Senator Johnson not present</p>
7	0450 Trial Court Funding	May Revise: Eliminate Governmental Exemption from Civil Court Filing Fees	<p>Under current law all governmental agencies are exempt from paying court filing fees. This proposed TBL would eliminate the exemption for all government agencies except for state agencies, child welfare or probation agencies in proceedings pursuant to Welfare and Institutions code section 300 et seq., and local child support or D.A.s in actions regarding establishment or enforcement of child support.</p> <p>Staff Comments: The AOC indicates that savings estimates were based on very limited information. Counties have objected to this proposal as a cost shift of court costs from the state to counties and therefore a revocation of the central principle of trial court funding reform.</p> <p>Staff notes that the state fiscal impacts are relatively minor, yet the policy change may be considered significant. For TBL see Attachment B</p>	\$312 in General Fund savings	Reject Finance Letter request	TBL	No Action Taken

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8	0450 Trial Court Funding	May Revise: Reduce Peremptory Challenges in All Cases	<p>Proposes to reduce peremptory challenges from 20 peremptory challenges per side to 10 in death penalty or life cases, from 10 challenges per side in other felonies to 6, from 6 per side for misdemeanors and 2-party civil cases to 3, and from 8 per side for multi-party civil cases to 6. This proposal requires trailer bill language (Attachment C).</p> <p>Staff Comments: Savings amount for this proposal may be overstated. The reduction in peremptory challenges may lead to greater use of challenges for cause, which take up more court time and resources. In addition, the estimate assumes that all peremptory challenges are currently used.</p> <p>Staff notes that the state fiscal impacts are relatively minor, yet the policy change may be considered significant.</p>	\$372 in General Fund Savings	Reject Finance Letter request	TBL	No Action Taken
9	0450 Trial Court Funding	May Revise: Implement Smaller Jury Panel Sizes Statewide	<p>May Revise proposal would reduce jury panel size to 35 jurors. According to AOC, there is an average of 68 jurors on felony panels, 53 on misdemeanor panels, and 57 on civil panels. The proposal includes trailer bill language.</p> <p>Staff Comments: This proposal is based on changes that LA County made. Staff notes that there are a number of other factors that affect the need for jury panel sizes. Staff understands that LA County allows fewer excuses from jury service than any other counties. Should this proposal be adopted, other counties would need to change policies to allow significantly fewer excuses from jury service.</p> <p>Staff notes that the state fiscal impacts are relatively minor, yet the policy change may be considered significant.</p> <p>(See TBL Attachment D)</p>	\$241 in General Fund savings	Reject Finance Letter request	TBL	No Action Taken

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10	0450 Trial Court Funding	May Revise: Decrease Jury Size in Limited Civil Cases	Limited civil cases are those in which the amount in controversy does not exceed \$25,000. Current law allows 12 jurors, this proposal would allow 8 jurors. Requires trailer bill language. (See Attachment E) Staff notes that the state fiscal impacts are relatively minor, yet the policy change may be considered significant.	\$173 in General Fund savings	Reject Finance Letter request	TBL	No Action Taken
11	0450 Trial Court Funding	May Revise: Eliminate Juror Pay for Governmental Employees	Current juror fees are \$15 per day and mileage at the rate of \$0.34 per mile. This proposal would exempt government employees from receiving juror pay (but would still allow for mileage reimbursement). Requires TBL (Attachment F) Staff Comments. To the extent that employees of state agencies ask for the juror fees to be waived, give the juror fee back to the state, or have salary offset by the fee, the savings may be overestimated.	2,300 in General Fund savings	Reject Finance Letter request	TBL	No Action Taken
12	0450 Trial Court Funding	May Revise: Trial Court Collective Bargaining	Currently each local court negotiates with local employee unions to determine court employee salaries and benefits. The administration is proposing trailer bill language requiring the Judicial Council to establish a working group to review trial court collective bargaining issues and make recommendations to the Governor and the Legislature. This proposal has no fiscal effect on the budget. Given the significant policy issues, this proposal may be more appropriately handled through the regular policy process rather than as trailer bill language proposed at the time of the May Revise. (For TBL see Attachment G) The Subcommittee may wish to adopt the following intent language: It is the intent of the Legislature to address the collective bargaining process in the trial courts.		Reject Finance Letter request & Adopt intent language	TBL	No Action Taken on the Finance Letter Adopted intent language (2-0) Johnson not present

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13	0450 Trial Court Funding	Loan from the State Court Facilities Construction Fund to the General Fund	A loan of \$30 million from the State Court Facilities Construction Fund (SCFCF) to the General Fund. The Administration has indicated that the SCFCF will have sufficient resources to begin transferring court facilities from the counties to the state in the budget year pursuant to Chapter 1082, Statutes of 2002.	\$30,000 Loan to the General Fund	Approve proposal	BBL	AAB (2-0) Senator Johnson not present
14	0450 Trial Court Funding	Fresno Court of Appeal Courthouse	<p>George N. Zenovich was elected to the State Assembly from Fresno in 1962. He served as Majority Leader and Democratic Caucus Chairman. In 1970 he was elected to the State Senate where he served until he was appointed to the Fifth District Court of Appeals in 1979.</p> <p>During his tenure in the Legislature, Zenovich was responsible for the Zenovich/Moscone/Chacon Housing and Home Finance Act which authorized bonds for low and moderate income housing and established the California Housing Finance Agency. He was instrumental in the passage of the Dixon/Zenovich/Maddy California Art Act of 1975 and the landmark Alatorre/Zenovich/Dunlap/Berman Agricultural Labor Relations Act: the first law in the nation recognizing the right of farm workers to bargain collectively.</p> <p>George Zenovich's greatest passion was championing the cause of physically, mentally, and neurologically handicapped children. He sponsored funding for autistic children and established the Diagnostic School for neurologically handicapped children in Fresno in 1973.</p> <p>The Subcommittee may wish to adopt trailer bill language stating that the state office building in the City of Fresno for the California Court of Appeal, Fifth Appellate District, shall be named and known as the "George N. Zenovich Court of Appeal Building."</p>		Approve TBL	TBL	Approved Trailer Bill Language (2-0) Senator Johnson not present

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15	0450 Trial Court Funding	May Revise: Costs for Homicide Trials	<p>Requests an increase of \$254,000 to provide funding for the costs of extraordinary homicide trials incurred by the courts. A corresponding reduction of \$254,000 is proposed in the Payments to Counties for the costs of Homicide Trials budget item.</p> <p>The request includes budget bill language requiring Judicial Council to develop a methodology for distributing such funding, and TBL is proposed to prohibit courts from receiving funds from the Payments to Counties for the Costs of Homicide Trials budget item. (Attachment H)</p>		Adopt Finance Letter proposal	BBL TBL	<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present</p>
16	0450 Trial Court Funding	Trial Court Baseline Funding	<p>Senator Ackerman has proposed some provisional language regarding baseline funding for the trial courts. The language directs the Judicial Council (1) to work with DOF and LAO to develop a trial court workload staffing and resource model, including performance measures for trial courts, (2) to work with DOF and LAO to develop a methodology for making baseline adjustments to trial court funding for mandatory cost items, and (3) to submit a report to the Legislature identifying mandatory costs facing the courts. The language is attached as Attachment I.</p> <p>The Subcommittee may wish to adopt the following intent language: It is the intent of the Legislature to direct the Judicial Council to work in conjunction with the DOF and the LAO to develop an improved court budgeting process.</p>		Adopt intent language	BBL	<p>Adopted intent language</p> <p>(2-0) Senator Johnson not present</p>
17		May Revise: The California State Law Library Special Account	<p>Subcommittee #1 has referred this issue to Subcommittee #4. The May Revise proposes to extend the sunset for the portion of the appellate court filing fee that funds the State Law Library.</p> <p>Under current law, \$65 from appellate court filing fees are deposited into the California State Law Library Account for support of the State Law Library. The fee sunsets January 1, 2005. The proposed TBL would extend the sunset to January 1, 2010. Subcommittee #1 recommends approval of the TBL. (See Attachment J)</p>		Adopt Finance Letter	TBL	<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present</p>

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18	0450 Trial Court Funding	Court Technology	<p>The AOC, under the direction of the Judicial Council, has embarked on two major IT projects. These are the Court Accounting and Reporting System (CARS) and the California Case Management System (CCMS). The AOC has begun both projects and expects to fully implement both projects by 2009.</p> <p>Staff Comments: The AOC and LAO have agreed to reporting language for these two technology projects. (Attachment K)</p>		Adopt trailer bill language	TBL	<p>Adopted Trailer Bill Language</p> <p>(2-0) Senator Johnson not present</p>
19	0450 Trial Court Funding	Potential Filing Fee Shortfall in the Budget Year	<p>New and increased fees approved in the 2003-04 budget are not generating the estimated revenues, thereby leaving the trial courts with a deficiency of \$24.3 million in the current year. The AOC estimates that the shortfall could be \$17.7 million in the budget year. In order to examine fee-related issues, a Court Fees Working Group was convened.</p> <p>The Subcommittee may wish to adopt the following intent language: It is the intent of the Legislature to review the impacts of the new and increased filing fees approved in the 2003-04 Budget Act and to consider recommendations for a statewide uniform fee structure.</p>		Adopt Intent language	TBL	<p>Adopted intent language</p> <p>(2-0) Senator Johnson not present</p>
20	0390 Judges Retireme nt System	Funding for JRS I	<p>For 2004-05, the budget estimates total General Fund expenditures of \$116.2 million will be needed for the program. Similar to the current year, this amount would leave a one-month reserve for the fund.</p> <p>In the January Proposal, of the \$116.2 million, the Administration proposes maintaining the current year level of General Fund at \$88.6 and transferring \$27.6 million from the General Fund appropriation to the TCTF to make up the balance.</p> <p>As was indicated above in the Trial Court Funding budget item, the transfer from the TCTF is no longer part of this proposal.</p>		Approve amended proposal		<p>Approved amended proposal</p> <p>(2-0) Senator Johnson not present</p>

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21	8940 Military Departm ent	Santa Ana Armory	<p>The armory in Santa Ana was built in 1957. It currently houses a rifle company with approximately 100 national guardsmen. It is used as a training site one weekend per month. The remainder of the month it is used primarily for vehicle and equipment storage.</p> <p>The armory is on a 3.5-acre site. If the armory were moved, the armory would need to be larger and upgraded to current standards. The funding is split between the federal government and the state government. The City of Santa Ana is currently searching for a site for the new armory.</p>				No Action
22	8940 Military Departm ent	Los Alamitos Firefighters	<p>The firefighters of the Los Alamitos Joint Forces Training Base (LAJFTB) are employees of the Military Department. The employees are considered on state active duty. The Military Department pays these firefighters from federal funds. The employees have similar protections to civil servants, although they do not have collective bargaining rights.</p> <p>The Los Alamitos firefighters have attempted to convert their personnel status over the last twenty years. Legislation was enacted in 1993 that allowed these firefighters to convert to state civil service provided that federal dollars were made available to cover related conversion costs. Federal funding has not been appropriated for this purpose.</p> <p>In April 2004, the Military Department sent a status on the issue indicating that federal regulations prohibit them from contracting out for the firefighter positions at Los Alamitos.</p>				No Action

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23	8940 Military Departm ent	Finance Letter: Oakland Military Institute	<p>This Finance Letter requests to restore \$875,000 in funding and 11 positions that were proposed to be eliminated as part of a previously approved General Fund reduction BCP.</p> <p>In the current year the Military Department anticipates expenditures of \$2.2 million and 24.3 positions for the OMI. The January reduction would leave \$1.3 million and 13 positions for this activity. This funding provides for assistant teachers in the classrooms to teach military customs and military history, and for extra curricular activities such as physical education, drill and ceremonies, leadership, and team development.</p> <p>This funding is on top of funding that the OMI receives similar to any other charter school in the state under Proposition 98. In its third year of operation, the Military Department indicates that OMI had 321 students enrolled in grades 7-9, primarily from Oakland and the East Bay area.</p>		Reject Finance Letter		<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present</p>
24	8940 Military Departm ent	May Revise: General Fund Reduction.	<p>This May Revise proposal requests a decrease of \$214,000 to reflect a reduction to the Military Retirement program due to a declining population served by the program and a reduction to the California National Guard Youth Programs, which will eliminate one State Active Duty-Tour position and related operating expenses from the Challenge Youth Program administrative support staff.</p>		Adopt Finance Letter		<p>Adopted Finance Letter</p> <p>(2-0) Senator Johnson not present</p>